

Message Text

PAGE 01 TEGUCI 01969 141556Z

43

ACTION ARA-10

INFO OCT-01 ISO-00 ARAE-00 SSO-00 NSCE-00 INRE-00 CIAE-00

PM-03 H-02 INR-07 L-02 NSAE-00 NSC-05 PA-02 PRS-01

SP-02 SS-15 EB-07 COME-00 TRSE-00 AGR-10 FRB-01

OPIC-06 AID-05 STR-04 /083 W
----- 013238

O R 141400Z MAY 75

FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC IMMEDIATE 0047

INFO DIA WASHDC

USIA WASHDC

AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

USCINCSO

UNCLAS TEGUCIGALPA 1969

E.O. 11652: N/A

TAGS: PINT, HO

SUBJ: THE INVESTIGATION COMMISSION RETURNS: MEDIA REACTION

REF: TEGUCIGALPA 1940

BEGIN SUMMARY: THE GOH INVESTIGATING COMMISSION ARRIVED IN HONDURAS MAY 12. ANTICIPATING THE ARRIVAL, FORMER MINECON BENNATON PUBLISHED A LONG DEFENSE OF HIS ACTIONS DESIGNED TO SHOW THAT THE REDUCTION OF THE GOH BANANA TAX RESULTED FROM A SHARED DECISION. HE ALSO DEFENDED HIS REFUSAL TO PROVIDE A POWER-OF-ATTORNEY TO AUTHORIZE REVIEW OF HIS SWISS BANK ACCOUNT. NEWSPAPERS ARE COVERING THE COMMISSION'S RETURN AS A STRAIGHT NEWS ITEM AND ARE GENERALLY WITHHOLDING COMMENT. AT AN AIRPORT PRESS CONFERENCE COMMISSION COORDINATOR REINA CONFIRMED THAT A BRIBE HAD BEEN PAID BY UNITED BRANDS. END SUMMARY.
UNCLASSIFIED

PAGE 02 TEGUCI 01969 141556Z

1. THE GOH INVESTINGATING COMMISSION RETURNED TO HONDURAS THE MORNING OF MAY 12 AND THE UB BRIBERY IS ONCE AGAIN THE SUBJECT OF FRONT PAGE ATTENTION. ANTICIPATING THE COMMISSION'S RETURN, FORMER MINECON BENNATON PUBLISHED A

STRONG PERSONAL DEFENSE IN LA PRENSA'S EDITION OF MAY 12 WHICH WAS BASED ON A SERIES OF DOCUMENTS (ALSO PUBLISHED) CLAIMED BY BENNATON TO BE HIS NOTES TAKEN DURING THE MEETINGS OF THE GOH BANANA COMMISSION ON THE TAX REDUCTION QUESTION. THESE DOCUMENTS TAKE UP SEVEN FULL PAGES OF THE NEWSPAPER. BENNATON'S THESIS, WHICH HE CLAIMS IS PROVEN BY THE DOCUMENTS, IS THAT THE DECISION TO LOWER THE BANANA EXPORT TAX WAS TAKEN AFTER NORMAL EXAMINATION AND DISCUSSION OF THE QUESTION BY THE COUNCIL OF MINISTERS AND THE CHIEF OF STATE. THEREFOR, GIVEN THE NATURE OF THE DECISION MAKING PROCESS, HE OBSIOUSLY COULD NOT HAVE TAKEN A BRIBE TO LOWER THE TAX. BENNATON, HOWEVER, SAID THAT HE HAD POSSESSION OF OTHER DOCUMENTS WHICH HE WAS NOT PUBLISHING, AT LEAST AT THE MOMENT.

2. LA PRENSA'S SISTER PUBLICATION, LA NOTICIA, OF MAY 12 PUBLISHED AN EDITORIAL SAYING THAT ALTHOUGH THERE WAS MUCH PREVIOUSLY UNKNOWN MATERIAL IN THE "BENNATON DIARIES," THERE IS STILL MUCH TO KNOW. LA NOTICIA SAYS THAT THERE ARE ONLY THREE WAYS OF ANSWERING THE STILL UNANSWERED QUESTIONS; AN HONEST AND EXHAUSTIVE REPORT BY THE INVESTIGATING COMMISSION, THE PUBLISHING OF A UNITED BRANDS DECLARATION ("NEGOTIATED OR FORCED BY THE USG,") OR THE PUBLICATION OF THE DOCUMENTS BENNATON IS KEEPING "FOR A BETTER MOMENT."

3. EL DIA OF MAY 12 WAS THE FIRST TO COVER THE COMMISSION'S RETURN AND ITS HEADLINES READ, "COMMISSION ADMITS THAT THERE WAS BRIBERY." THE FOLLOWING ARTICLE REPORTED THAT DURING A PRESS CONFERENCE HELD IMMEDUBELY FOLLOWING THE COMMISSION'S RETURN, COORDINATOR JORGE REINA CONFIRMED THAT THE BRIBERY BY UNITED BRANDS TOOK PLACE BUT THAT HE REFUSED MORE SPECIFIC COMMENT. REINA ALSO REPORTEDLY SAID THAT THE COMMISSION WILL MAKE ITS REPORT PUBLIC WHEN IT IS FINISHED. REINA ALSO SAID THAT RADIO REPORTS THAT LOPEZ HAD FINALLY AGREED TO GIVE THE COMMISSION AUTHORITY TO REVIEW HIS BANK UNCLASSIFIED

PAGE 03 TEGUCI 01969 141556Z

ACCOUNTS ARE FALSE. EL DIA ALSO PRINTED COMMENTS BY COMMISSION MEMBER MONSIGNOR ENRIQUE SANTOS WHO DENIED THE REPORT PRINTED BY EL CRONISTA (SEE REFTTEL) SAYING THAT GENERAL LOPEZ HAD OFFERED TO GIVE SANTOS THE AUTHORITY TO REVIEW HIS ACCOUNTS.

4. THE HEADLINE OF EL CRONISTA'S MAY 13 EDITION WAS, "SERAPIO HERNANDEZ (COMMISSION MEMBER AND GOH ATTORNEY GENERAL) AFFIRMS THAT BENNATON WAS THE ONLY OFFICIAL WHO DID NOT WANT TO AUTHORIZE THE COMMISSION TO REVIEW HIS BANK ACCOUNTS." BENNATON ANSWERED IN EL CRONISTA SAYING THAT HE HAD ALREADY GRANTED A POWER-OF-ATTORNEY TO THE COMMISSION BEFORE ITS DEPARTURE FROM HONDURAS. HOWEVER, THE COMMISSION LATER ASKED FROM SWITZERLAND FOR ANOTHER

POWER-OF-ATTORNEY MADE OUT TO A THIRD PARTY. BENNATON REGARDED THE FIRST DOCUMENT AS SUFFICIENT AND THE SECOND REQUEST AS UNJUSTIFIED.

5. EL CRONISTA ALSO RECONFIRMED ITS EARLIER STORY THAT LOPEZ HAD OFFERED TO AUTHORIZE MONSIGNOR SANTOS TO REVIEW HIS ACCOUNTS. "EL CRONISTA IS ABSOLUTELY CERTAIN THAT GENERAL LOPEZ ACCEPTED" GIVING THE POWER-OF-ATTORNEY TO SANTOS. HOWEVER, IN ANOTHER ARTICLE, THE PAPER SAID THAT IT HAD "SECRET SOURCES" AND DID NOT HAVE TO CONFIRM THE STORY WITH SANTOS.

6. LA PRENSA OF MAY 13 ALSO DEVOTED ITS FRONT PAGE HEADLINE TO THE COMMISSION'S RETURN AND ASKED EDITORIALY WHAT HAD TAKEN SO LONG. ALSO, THE PAPER URGED THAT A FULL REPORT BE MADE PUBLIC SOON. LA PRENSA ALSO PUBLISHED COMMENTS BY VICTOR ARTILES (COMMISSION MEMBER AND CTH LABOR CONFEDERATION SECGEN), WHO REPORTEDLY SAID THAT THE FAILURE OF SEVERAL EX-OFFICIALS TO GRANT POWERS-1**-ATTORNEY HAS HELD UP THE INVESTIGATION. THE PRESS ALSO PRINTED THE APPARENTLY CONTRADICTORY REMARKS OF SERAPIO HERNANDEZ WHO SAID THAT BENNATON WAS THE ONLY OFFICIAL WHO WOULD NOT PERMIT EXAMINATION OF HIS SWISS BANK ACCOUNTS.

7. COMMENT: THE PRESS HAS LIMITED ITSELF TO PURE NEWS COVERAGE AND IS APPARENTLY WITHHOLDING EDITORIAL COMMENT UNTIL MORE IS KNOWN OF THE COMMISSION'S FINDINGS.
UNCLASSIFIED

PAGE 04 TEGUCI 01969 141556Z

SANCHEZ

UNCLASSIFIED

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 26 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANANAS, BRIBERY, COMMITTEES, CUSTOMS DUTIES, INVESTIGATIONS, PRESS COMMENTS, TAX RELIEF
Control Number: n/a
Copy: SINGLE
Draft Date: 14 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975TEGUCI01969
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: D750169-0481
From: TEGUCIGALPA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t197505100/baaaaecg.tel
Line Count: 143
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: SmithRJ
Review Comment: n/a
Review Content Flags:
Review Date: 24 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 JUL 2003 by maginmm>; APPROVED <02 FEB 2004 by SmithRJ>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> jms 971008
Subject: n/a
TAGS: PINT, HO, UNITED BRANDS, (REINA)
To: STATE INFO DIA
USIA
GUATEMALA
MANAGUA
SAN JOSE
SAN SALVADOR

USCINCSO

Type: TE

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006